



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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TREASURER ANGELIDES HAILS CALIFORNIA EARTHQUAKE AUTHORITY'S VOTE TO LOWER EARTHQUAKE INSURANCE PREMIUMS

SACRAMENTO, CA – California State Treasurer Phil Angelides, a member of the California Earthquake Authority Governing Board, released the following statement today regarding the Board's decision to lower homeowners' earthquake insurance premiums by 22.1 percent. The measure was approved by the Governing Board by a vote of 2-0.

"The decision of the California Earthquake Authority to lower homeowners' earthquake insurance premiums by an average of 22.1 percent is good news for consumers and good news for California.

"The California Earthquake Authority has too often been a better deal for big insurers than for consumers. Our decision to lower rates will save homeowners with CEA insurance policies an average of \$259 a year. Over 600,000 California households will see their insurance rates go down, lowering the overall cost of CEA earthquake insurance to consumers by over \$100 million annually.

"By lowering the cost of earthquake insurance, we hope more California homeowners will be able to buy coverage and protect their homes and family finances from earthquake losses. This rate cut will help consumers and the California economy."

As recently as 1992, one-third of the state's insured homeowners had earthquake insurance. Now, only 15 percent are insured, about two-thirds of them through CEA. In fact, the number of Californians insured through CEA has dropped from over 900,000 in 1998 to slightly over 700,000 today. Consumers have cited the high cost of earthquake insurance as the top reason for not purchasing coverage. By lowering rates based on the latest geological and actuarial data, the CEA believes that more people will be able to purchase coverage.

Today's rate reduction now goes to the Insurance Commissioner for final approval.

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